



Octopus Real Estate

A guide to our products

impact
Specialist Finance

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octopus real estate
A brighter way

All data correct as of November 2021.

For professional intermediaries only.

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Welcome to our product guide, with detailed information on our residential, commercial and development products.

Find it fast

Product	Max LTV	Loan term	Rates	Page
Residential				
Bridging	75% unregulated	1-23 months	From 0.55% p.m.	5
	70% regulated	1-12 months	From 0.45% p.m.	
Buy To Let	80%	2-25 years	From 4.99% p.m.	6
Commercial				
Bridging	70%	1-24 months	From 0.75% p.m.	7
Auction	60% net day one	6 months	9.00% p.a.	8
Commercial Term	70%	2-5 years	from 4.50% plus SONIA swap	9
Residential Development				
Development	70%	6-36 months	6.75% p.a.	10
Light Development	70%	12-24 months	7.20%	11
Greener Homes Alliance	70%	0-36 months	7.00%	11

Why Octopus Real Estate?



We're customer focussed

We've spent over ten years building a business known for putting its customers first. Our customers come back to us time and time again, because they trust us to put together the right deal, at the right time.



We relish the unconventional

There's always a better way to do business. We take pride in achieving what others think is impossible, and our unique approach has helped us win numerous property lending awards.



We're not your average lender

We provide funding to property investors and developers at every stage of the property life cycle. You won't get that type of commitment anywhere else. And we're not a bank, so we don't think like one.



We're part of something bigger

We're proud to be part of Octopus, a group of companies that invests in the people, ideas and industries that will help to change the world.

Your business development managers

Whether you require local support or national coverage, our business development team are always on hand to help, and by working with us, you'll also have direct access to the rest of our teams.

[Find your local BDM](#)

Borrower profile

Property developers

Typically SME firms looking to build 5 to 200 units.

Property companies

Wide variety including UK and offshore entities, limited companies and special purpose vehicles.

Individuals

Both domestic and international investors in UK real estate including foreign nationals, first time buyers and expats.

Asset profile

- Houses of multiple occupation (HMOs)
- Student accommodation
- Multi-unit freehold blocks
- Holiday lets
- High-rise buildings
- Ex-local
- Standard residential

Residential

Bridging (regulated and unregulated)

Key features

Minimum loan	£150k
LTV	Up to 75%
Rate	From 0.45%
Term	1-23 months
Arrangement fee	2%
Early repayment charge	None



We can help

- Foreign nationals, expats, first time buyers and landlords
- UK and offshore company structures, adverse considered, rental shortfalls
- Auction purchases, semi-commercial, HMOs

Key facts

- Fast Track service available [subject to application], please contact your BDM for information
- AVMs available for certain property types
- No ERCs
- No minimum income requirements
- Interest loan is typically retained as part of the loan

For regulated

- Interest is added to the loan (it can't be serviced)
- Maximum term 12 months
- You must be an FCA authorised adviser (or have someone who is) to provide advice about whether this is the right product for your client.

Please remember

Your home may be repossessed if you do not keep up repayments on your mortgage.

Residential

Buy To Let

Our specialist team will take the time to understand your landlord's portfolio, then using a combination of qualifying criteria we provide simple Buy To Let loans that aim to be the right fit to help your landlord.

Key features

Minimum loan size	£50k
Maximum LTV	80%
Rates from	4.99% p.a.
Term	2–25 years
Arrangement fee	<£150,000 2% >£150,000 1.5%

We can assist with the following:

- Short-term lets allowed
- First-time buyers
- Foreign Nationals
- Off shore companies
- Ex-pats

To see our full Buy To Let matrix [click here](#).



Commercial

Bridging

Working across the commercial spectrum, our flexible bridging loans are structured around individual needs, to fund acquisitions, refinances and equity release.

Key features

Maximum LTV	70%
Rate	From 0.75% p.m.
Term	1-24 months
Arrangement fee	From 0.50%
Early repayment charge	None

We can help:

- Commercial assets, from industrial wharfs to 5-star hotels
- Active management, turnaround and vacant assets
- Day one loans based on existing use value with further advances to reflect value enhancement through planning, refurbishment or reletting

Key facts

- Loans can be completed in as little as one week
- Our experienced in-house lending team are all fully qualified Chartered Surveyors who have decades of investment experience and know how to structure loans to achieve your client's objectives



Commercial

Auction

Buying a property at auction can mean a scramble to get the necessary finance together in time. Our pre-approved loans, for assets purchased at Acuitus commercial property auctions, mean investors are guaranteed the finance they need, the moment the hammer falls.

Key features

Maximum LTV	Max LTV 60% (net day one)
Rate	0.75% p.m.
Term	6 months
Minimum property value	£500k
Arrangement fee	from 0.75%
Amortisation	Nil-interest only
Early repayment charge	0%

We can assist with the following:

- Any property sold in the Acuitus auction room
- No valuation required
- Title indemnity insurance removes the requirement for lengthy and expensive legal due diligence

Key facts

- Pre-approved finance
- Subject to KYC, ESG Policy and Title Insurance
- Potential to refinance onto longer term loan or development funding



Commercial

Commercial Term

Our specialist team, including chartered surveyors, have decades of experience in structuring loans for clients.

Key features

Maximum LTV	70%
Rate from	4.50% plus SONIA swap
Term	2 to 5 years
Minimum loan size	£0.50m
Maximum loan size	£25m
Arrangement fee	from 0.50%
Amortisation	Interest only to 65% LTV

We can assist with the following:

- UK let commercial investments
- Payment holidays are available, subject to underwriting
- Funding acquisitions, refinances and equity release

Key facts

- Our loans are interest only up to 65% LTV
- ICR covenant is 1.0x throughout the loan term
- Fixed interest for duration of loan



Development

Since 2013, our development finance has supported construction of over 6,500 new homes. We fund a multitude of projects, ranging from housing and flatted schemes to large scale residential and student accommodation developments. We support developments of all sizes, across the UK.

Key features

Minimum loan size	£5m
Maximum loan size	£100m
Maximum initial LTV	70%
Maximum LTGDV	70%
Maximum LTC	85%
Term	12-36 months
Rates from	6.75% p.a.
Arrangement fee	1% p.a.
Exit fee	From 1% of the loan amount

We can assist with the following

- Housing schemes
- Flatted developments
- Mixed Use schemes (up to 25% commercial)
- Student Accommodation
- PRS / Build to Rent

Key facts

- Dedicated underwriting team
- The interest will be rolled for the whole duration of the project including sales period
- Get an allowance for planning uplift (capped at 50%) enabling clients to maximise the use of their cash
- Flexibility on terms to meet the client's needs

Requirements

- Client's CV: we are looking to lend to experienced developers, a track record will be required when reviewing the scheme
- No CCJs, mortgage arrears or defaults in the last 3 years. Previous adverse will be considered on an individual basis
- First Charge only



Light development

Some lenders won't provide loans on smaller development schemes. Not us. We can help with 'light' development projects ranging anywhere from heavy refurbishment to ground up multiple unit developments. These schemes do not always require the same level of monitoring as larger schemes, so we will consider light touch quantity surveyor monitoring.

Key features

Minimum loan size	£2m
Maximum loan size	£5m
Maximum initial LTV	70%
Maximum LTGDV	70%
Term	12-24 months
Arrangement fee	1%
Rates from	7.2%
Exit fee	2% of the loan amount

We can help

- Housing schemes
- Flatted developments
- Mixed use schemes (up to 25% commercial)
- Permitted development
- Student Accommodation
- Change of use conversions

Key facts

- Fast-tracked initial approval process
- We consider light-touch quantity surveyor monitoring
- Dedicated underwriting team
- The interest will be rolled for the whole duration of the project including sale period
- Get an allowance for planning uplift (capped at 50%) enabling your client to maximise the use of their cash
- Flexibility on terms to meet your client's needs
- Access to an experienced development finance team to discuss your deal



Greener Homes Alliance

Our partnership with Homes England

We're providing discounted financing to support and encourage developers to build high quality energy efficient homes.

In this joint venture with Homes England we're leading the way to a greener future.

Key features

Minimum loan size	£1m
Maximum loan size	£20m
Maximum initial LTV	70%
Maximum LTGDV	70%
Maximum LTC	85%
Term	Up to 36 months
Rates from	£1m-£5m - 7.2%*
Rates from	£5m+ - 6.75%*
Arrangement fee	Up to 1%
Exit fee	Up to 2%

* Before discount



We can assist with the following

- Housing schemes
- Flatted developments
- Mixed Use schemes (up to 25% commercial)*
- PRS/Build to Rent

* Subject to eligibility

Key facts

- Homes that achieve a SAP score of 92 and above (EPC A) will receive 2% discount on interest rate
- Homes that achieve a SAP score of 85 and above (EPC B) will receive 1.25% discount on interest rate
- Benefit from initial free of charge, expert advice from sustainability consultants McBains and Octopus Energy. They will help you to understand how to deliver high EPC homes and the costs and practicalities of doing so
- Octopus' flexible and efficient funding to developers remains at the core of each loan
- Sharing knowledge, best practices, new ideas and products with developers that can be used to maximise energy efficiency in homes

92 and above:

Discount of 2%

85 and above:

Discount of 1.25%

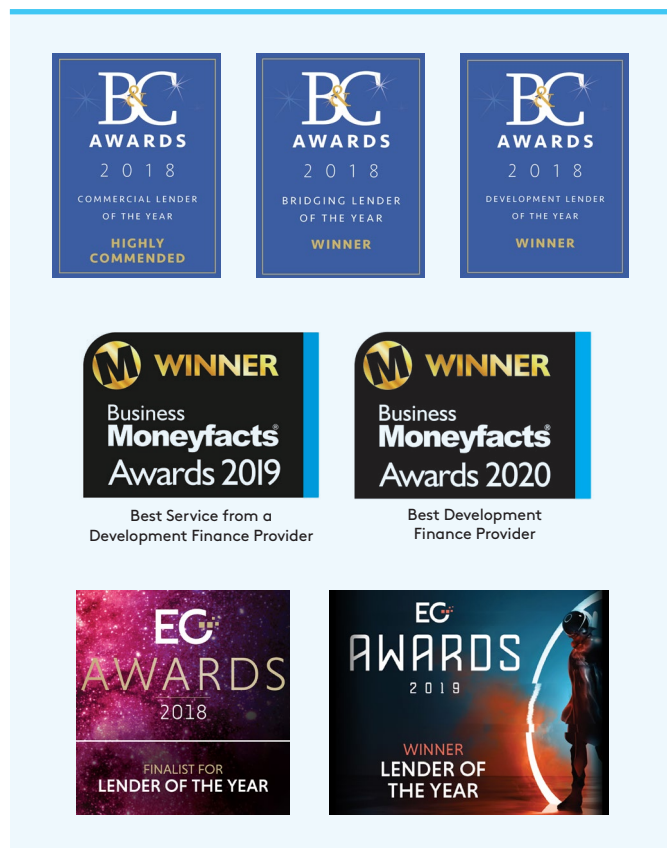
Energy Efficiency Rating		Current	Potential
Very energy efficient - lower running costs			
(92-100)	A		
(81-91)	B		
(69-80)	C		
(55-68)	D		
(39-54)	E		
(21-38)	F		
(1-20)	G		
Not energy efficient - higher running costs			
England & Wales		EU Directive 2002/91/EC	

About Octopus Real Estate

Octopus Real Estate, part of Octopus Group, is a leading specialist real estate investor, with over £2.8 billion under management and a highly experienced team of over 90 professionals. We focus on the property lending and healthcare sectors.

The property lending team provides bespoke, customer focused financing solutions across the UK residential, commercial and development sectors. The team has lent more than £5 billion across over 3,800 loans, providing competitively priced financing throughout the UK and spanning the property investment lifecycle, with loans typically ranging from £100,000 to £50 million.

The healthcare team manages over £1 billion of investments, with a focus on care homes and retirement communities – sectors requiring significant investment given the UK's ageing population. Octopus Real Estate also creates strategic partnerships with leading operators, to deliver exceptional healthcare facilities you'd choose for your loved ones.



£11.3bn
funds under
management
in the Octopus
Group

**Over
90**
property
professionals

**Over
£5bn**
lent

3,800
loans

How to apply

Get **indicative terms** by filling in a quick enquiry, we will aim to respond within 4 hours.

Submit a quick enquiry

For an **agreement in principle** submit a full enquiry. Our credit team will review and aim to respond within 24 hours.

Submit an individual application

Submit a regulated individual application

Submit a company application

Find out more

Call impact packaging on **01403 272625** or visit www.impactpackaging.co.uk



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