

An Introduction to

# Blackfinch Property

# Welcome to Blackfinch Property

Since 2014, Blackfinch Property has been helping to support the UK housing sector by offering financing for residential and commercial property development.

We work with like-minded, forward-thinking property developers who believe in using sustainable materials and building practices. As a senior debt lender, we look to lend in new and growing sectors, and always go above and beyond to deliver.

Our Environmental, Social and Governance (ESG) principles are core to our lending processes, and integral to how we work. We apply them to every loan in which we participate, and we work hard to identify borrowers and lending opportunities that align with our principles. We even offer preferential rates to borrowers who demonstrate the best environmental practices.

Our ambition is to put our loans to good use, helping to revive local areas and regional economies, and encouraging the development of innovative and imaginatively constructed properties such as eco-homes, social housing and supported living.



**Richard Cook**

*Founder and CEO of Blackfinch Group*



Best Service from a Development  
Finance Provider



# Unique Selling Points (USPs)



## Deal Team

Every deal we undertake benefits from its own structured 'Deal Team'. This means the dedicated Deal Manager is supported by a Deal Analyst and two legal staff. Our aim is to ensure that throughout the lifecycle of the loan from appraisal to redemption there is always someone on hand that has a thorough understanding of the transaction.



## Secure Funding

As a fully-funded lender, we can make investment decisions without requiring external approval or having to raise funds after agreeing terms. So, when we say we can provide funding, our clients are certain we can deliver. Our funding has fixed interest rates, giving borrowers certainty over finance costs at a time when values and build costs are uncertain.



## In-House Legal Team

As legal delays are one of the biggest concerns from property developers, we have eliminated the problem by bringing the finance and security document process in-house. This enables quicker turnaround times and fewer errors. The team also has specialist expertise in property law and construction law, to help make commercial sense of the often heavily caveated advice external advisors provide.



## Asset Management Approach

As the lending companies that Blackfinch Property manage are cash backed, they have no capital adequacy requirements like a bank, meaning we can take a longer-term approach to lending, understanding that delays in construction and sales are common. This means we can assist borrowers to guarantee the build is completed, and ensure that full value from the development can be realised.



## Commercial Approach

We are still small and nimble enough to provide a fast and responsive service with quick access to decision makers. We understand property development and many of the team or members of our Investment Committee have first-hand experience in development and so understand the importance of a pragmatic and commercial approach.



## Building Lasting Relationships

We believe in developing long-term relationships with ambitious borrowers. That's why many developers choose to come back to us for their lending needs time and again over multiple projects. Our relationship-based approach ensures that developers can grow and thrive alongside a supportive lender.

# Lending Criteria

Blackfinch Property lends against both residential and commercial property, and in new and growing sectors, all over the UK.



## Development Loans

- Borrowers should ideally be established developers with a strong financial history
- Completion of satisfactory due diligence including a red book valuation report, report on title and an independent monitoring surveyor report
- Third party main contractor or self-build with sufficient experience and assets considered
- Development should be low risk in terms of use, valuation and exit
- Loan term typically up to 3 years, but we will consider outside this range
- Loan amounts typically £1m to £25m
- Loan to value typically no more than 70%
- Loan to cost typically no more than 85%
- Personal or corporate guarantees required



## Bridging Loans

- Borrowers should have a strong financial history
- Completion of satisfactory due diligence including a red book valuation report and report on title
- Asset should be low risk in terms of use, valuation and exit
- Consider land loans with planning or existing use value, and exit bridges
- Loan term typically up to 3 years
- Loan amounts typically £1m to £25m
- Loan to value typically no more than 70%
- Interest can either be serviced or rolled-up into the loan
- Personal or corporate guarantees required



Fixed interest rates



Dedicated investment  
manager



Specialist in-house  
legal team



Offering competitive  
rates



Fully funded lender



## Buy-to-Let Portfolio Loans

- Borrowers should ideally be experienced landlords
- Lending to limited companies and limited liability partnerships (LLPs) only
- Multi-unit freeholds considered up to a maximum of ten units per address
- House in multiple occupation (HMOs) considered if only one tenancy agreement
- No minimum income requirement where there are tenancy agreements in place
- No requirement to have previously held a residential mortgage
- Maximum of ten units per borrower
- Minimum total borrowing amount of £0.5m
- Units in lettable condition
- All loans are on fixed rates with no ERCs (early redemption charges) just a minimum interest period of 3 months
- Minimum EPC rating of C preferable, but we will consider EPC's of D
- Loans are generally to be fully serviced by the asset's net income with a preferable Interest Cover Ratio (ICR) of 1.25x
- Personal or corporate guarantees required



## Commercial Term Loans

- Borrowers should have a strong financial history
- Completion of satisfactory due diligence including a red book valuation report and report on title
- Loan term typically up to 3 years
- Loan amounts typically £1m to £25m
- Loan to value typically no more than 70%
- Loans are generally to be fully serviced by the asset's net income with a preferable Interest Cover Ratio (ICR) of 1.25x
- Personal or corporate guarantees required

# Recent Loans

## **Aberdeen** *Scotland*

**LTV 48%**  
**£9.7m Loan Facility**

The project will see a former hotel converted into high-end student residential accommodation, including 105 rooms (108 beds), and an associated communal space for the student community.

## **Banbury** *Oxfordshire*

**LTV 66%**  
**£1.4m Loan Facility**

A commercial term loan to refinance three industrial units in Banbury, Oxfordshire. The three industrial units have been let on 10-year leases from January 2023.

## **Enfield** *London*

**LTV 60%**  
**£4m Loan Facility**

The loan will be used to complete a part-built site consisting of 6 new build 3-bedroom houses, and a block of 8 flats with a social club on the ground floor.

## **Rubery** *Birmingham*

**LTV 70%**  
**£7.9m Loan Facility**

Development loan for used for the purchase of land and the development of a 71-bedroom care home in Rubery, a village located nine miles from Birmingham's city centre.

## Blackfinch Property Portfolio Map 2024

Commercial	
Healthcare	
Industrial	
Leisure	
Other	
Residential	
Retail	
Student	



Our loan book is diversified across regions and sectors, supporting the many areas where funding is needed. Lending covers both residential and commercial property (with the latter including leisure, retail, healthcare, student accommodation, supported living, forestry and farmland, industrial and office). With limited funding available from mainstream debt providers, developers turn to us as a specialist lender.

# Meet the team

Blackfinch Property brings a hub of investment expertise and offers a bespoke approach to each loan, with specialisms in short term bridging finance and development lending.

The Blackfinch Property team includes property investment professionals, as well as three accountants and an in-house legal team of seven, which includes banking, property and construction lawyers.



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## Find out more

Thank you for taking the time to look at what Blackfinch Property can offer you. To learn more, please speak to one of our team, who can provide you with further details.

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### **IMPORTANT INFORMATION**

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