



# Holiday let products

Holiday homes can be a worthwhile investment for those letting out properties on a short-term basis. With our holiday let offering, we can provide your clients with the solutions they need, however complex or challenging their case.

With loans available up to £1m at up to 70% LTV, our range of products could support your holiday let clients.

## Key features



Up to **70% LTV** available



Minimum loan size **£50k**



Rates from **3.84%**



**Interest-only** option available



Maximum loan size **£1m**



**Personal ownership** and **Limited Company** allowed

## Key holiday let criteria

- Available in England and Wales
- 2-30 years term available

### Eligible applicants

- Must be an existing landlord
- Minimum income £30k per application
- Individuals, limited companies, LLPs, partnerships, trusts and trading companies

### Acceptable property types

- Residential property up to 6 bedrooms
- No occupancy restrictions
- No park homes/caravans, houseboats or securities located on holiday parks or those of non-standard construction (such as log cabins)
- Standard single lets only

### ICR (and calculation)

- Minimum ICR and stress rates requirements are 140% using gross rent
- Rent calculations based on a letting period of 30 weeks a year at an average of the low, mid, and high season rates
- For purchase transactions we require evidence of the low, mid and high season rates from lettings agents
- For remortgages we require accounts showing income/occupancy or evidence of booking over the previous 12 months. Where income/occupancy has been impacted by COVID-19 restrictions, we can accept accounts/bank statements evidencing the previous uninterrupted 12-month letting period.

## Acceptable credit profile

<b>CCJs</b>	Nil (3 year history)*
<b>Defaults</b>	Nil (3 year history)*
<b>Missed mortgage payments</b>	None in the last 12 months
<b>Missed secured loan payments</b>	None in the last 12 months
<b>Unsecured arrears</b>	N/A
<b>Bankruptcy</b>	Nil (6 year history)
<b>IVA</b>	Nil (6 year history)
<b>Repossession</b>	Nil (6 year history)
<b>Debt Management Programme</b>	Nil (6 year history)

### \*The restrictions may not apply in the following circumstances:

- Where all CCJs/defaults were registered more than three years ago and satisfied prior to mortgage application;
- Where all CCJs/defaults were satisfied more than 12 months prior to application regardless of date of registration;
- Where the CCJs/defaults in aggregate amount to less than £300, regardless of date of registration, and satisfied prior to mortgage application.

## Holiday let products

Product	LTV	Rate	Reversion rate	Fee	Loan amounts	ERC
2-year fixed	70%	3.84%	BBR + 3.09%	1.50%	Max loan size £1m	4%, 3%
<b>NEW</b> 2-year fixed	70%	4.29%	BBR + 3.54%	<b>£0</b>	Max loan size £500k	4%, 3%
5-year fixed	70%	4.29%	BBR + 3.54%	1.50%	Max loan size £1m	4%, 3%, 3%, 3%, 3%

BBR is subject to a floor of 0.75% (if BBR exceeds 3% the floor resets to 3%)

### Physical valuations

For holiday let cases, full physical inspections for valuations will continue, and shall be conducted via our in-house panel managers.

#### Fees

A £145 administration fee is payable upon submission of the application and is non-refundable. A 1.5% arrangement fee, payable on completion, can be added to the loan and is non-refundable. The valuation fee should be paid upon submission of the application.

### Products now revert to Bank of England Base Rate (BBR) trackers

- On expiry of the fixed rate (the Starting Rate\*), the Term Loan will revert to a rate of interest which will be variable at a Margin above the Bank of England Base Rate.
- The variable rate of interest will move up and down in line with the Bank of England Base Rate, however if the Bank of England Base Rate falls below 0.75% the interest rate you're charged won't change, this is referred to as the minimum floor.
- If the Bank of England Base Rate reaches 3%, the minimum floor rate becomes 3%.
- In all cases the Starting Rate at completion is the lowest rate payable regardless of future changes to the Bank of England Base Rate.
- Changes to the Bank of England Base Rate, subject to the minimum floors, will take effect from the 1st of the month immediately following the announcement of the change in the Bank of England Base Rate. Your new rate will be calculated by taking the Margin applicable to the Term Loan plus the Bank of England Base Rate.

\* The Starting Rate is the Margin plus the higher of either the Bank of England Base Rate at the date of commencement of the Term Loan or 0.75% and will be defined in the AIP and Facility Letter.

## Valuation fee scale

The valuation fee is payable by the applicant prior to valuation instruction. The prices listed below are a guideline and may be subject to change. Fees are non-refundable once the valuer has visited the property but an abortive fee may be payable. Valuations are conducted for the lending purposes only and will not be provided to the client.

Where a property does not fit within the criteria listed below, a bespoke fee quote will be required. Where a bespoke fee quote is needed, please contact the sales team to confirm the cost.

Max value/purchase price	Standard
£150,000	£175
£200,000	£200
£250,000	£225
£300,000	£250
£350,000	£275
£400,000	£300
£450,000	£325
£500,000	£350
£600,000	£485
£700,000	£585
£800,000	£650
£900,000	£710
£1,000,000	£825
£1,250,000	£1,225
£1,500,000	£1,225
£1,750,000	£1,625
£2,000,000	£1,625

### Standard

- Single houses or flats

Property values over £2,000,000: Quotes available on request.

## Legal fee scale

Purchase price (for purchases) / Loan size (for remortgages)	Remortgage (full due diligence)				Purchase (full due diligence)			
	Leasehold*		Freehold		Leasehold*		Freehold	
	Bank only	Joint rep	Bank only	Joint rep	Bank only	Joint rep	Bank only	Joint rep
Up to £100,000	£900	£1075	£700	£875	£1050	£1250	£850	£1050
£100,001 - £300,000	£1000	£1175	£800	£975	£1150	£1350	£950	£1150
£300,001 - £500,000	£1100	£1275	£900	£1075	£1250	£1450	£1050	£1250
£500,001 - £750,000	£1300	£1475	£1100	£1275	£1450	£1650	£1150	£1450
£750,001 - £1m	£1500	£1675	£1300	£1475	£1650	£1850	£1250	£1650
Over £1m	POA	POA	POA	POA	POA	POA	POA	POA

### Additional fees applicable if:

Corporate Borrower i.e. Limited Company/LLP		£100		£100		£100		£100
No planning permission evidencing holiday use is authorised	£450	£450	£450	£450	£450	£450	£450	£450

\*Our fees for leasehold properties are on the basis that the lease specifically provides for and is drafted such that it anticipates the property may be used for holiday lettings. If this is not the case our fees will exceed the indicated amount.

**Please note** the following assumptions:

- The scale above does not anticipate any requirements there maybe for documents or deal structures outside those normal for a standard conveyancing transaction - e.g. Subordination Deeds, Cross Guarantees, Share Purchase Agreements or foreign company borrowers. These will need to be quoted for separately.
- The security comprises a single property/title.
- It is assumed that the property was/is acquired via an arm's length purchase at full market value, that the title is free from any defects, and there is no recent development (including new build properties) which necessitates planning investigation (apart from the already accounted for "Holiday use not evidenced by planning permission").
- The scale assumes that given the transient nature of the occupation any letting agreement will be basic.

VAT and Disbursements are payable in addition to the fee estimate.

These costs do not include any disbursements incurred in the course of the transaction. These will be in addition to the fees set out above.

The fee quotes provided are on the basis that the matter is straightforward with no unforeseen complications.

All legal fees will be deducted from the draw-down of the loan advance.