



CPC FINANCE

COMMERCIAL, INVESTMENT
AND BUY TO LET MORTGAGES



A guide to auction finance options

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Auctions can be good places to pick up a property at a competitive price. However, not everybody has the cash readily available to do this.

You should have your finance in place before going to an auction, this way you know your budget and are able to bid for a property with the confidence that you should be able to meet the timescales required, which are normally 28 days to completion. You will also need the compulsory 10%, cash equivalent, deposit available.

If you are interested in buying at auction but need help in raising the finance, there are a variety of options available.

SHORT TERM LOAN (STL)

Also known as bridging loans, can be secured at short notice and for periods ranging from a month to two years. They can be secured on residential or commercial property. If you need to carry out work on the property, you have the choice between light and heavy refurbishment products, which will depend on the amount of proposed works to be carried out.

SECURED LOANS

For BTL investors, secured loans or second charge mortgages provide a way to release equity from a residential or commercial property, without remortgaging. The property can be residential, BTL or commercial. Secured loans sit behind the first mortgage and enable you to retain any first charge mortgage. Consent may be required from the lender on the initial mortgage.

REMORTGAGING

Remortgaging can be a way to release equity from a property in order to raise the capital, which can then be used to purchase a property from auction. Remortgage products are available for residential, BTL and commercial properties.

BUY-TO-LET (BTL)

If the property you are looking to purchase requires no work to be carried out before letting out, a buy-to-let (BTL) term loan or House of Multiple Occupation (HMO) term loan may be suitable.

DEVELOPMENT FINANCE

If you are purchasing land to build property, development finance would be an option. A typical set up would assist with the purchase of the land and the build costs.

EXIT ROUTES

If you have taken mortgage finance in the form of development finance or a short term loan, you will need to confirm your proposed exit route with the lender at application stage. This would normally be either the sale of the property or renting the property out and therefore taking a term facility product.



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