

Neil Southern
Broker Business
Development Manager



NatWest

Residential Development Finance

£500k - £2m

Overview



Property Finance Direct is the banks sub £2m Real Estate Finance offering. Its designed to “take the pain out of property finance”. With quick lending decisions, quick draw completion of transactions and expert telephony advice available to customer, its is quickly becoming a compelling proposition.

The business is a direct telephony channel business based in Manchester. We have dedicated Property Finance teams who can deal with all customer requests from existing loan queries to new lending. There is no face to face relationship management service for this part of our real estate business.

A world class efficient delivery intertwined with on the ground expertise is what customers can expect from NatWest Property Finance Direct.

What is in scope?



Asset Class 	Appetite/Response 
Residential Development	Up to 60% LTC or 50% LtGDV

Costs included are:

- Land costs
- Construction costs
- Professional fees
- Contingency
- Statutory fees
- Section 106 / 278 / CIL

Along with funding costs, like interest, arrangement fees and valuers and legals

Key information required



- Photos of previous properties that have been developed
- A brief over view of the site purchased for development
- What planning permission was granted
- Build time and the cost of the build

Build Monitoring



- We use a national network called Arcadis to monitor our developments
- There will be a one off fee priced at the outset determined by the size and timeline of the build.
- For instance, a 12m development with development debt of c£500k, you can expect to pay around £1900, rising to £4300 for a 24m development at £2m
- Arcadis will undertake an initial inspection at the same time we instruct valuers
- Thereafter, every 3m to inspect and confirm progress
- It is usual for developers to want cash every 4-6 weeks, so we allow this subject to develop sending in a 'Development Progress Monitoring form, along with photographic evidence of the stage they are at.
- No need to wait for QS to attend site before next drawdown

Customer Verbatim feedback



As the Property Finance Direct Team becomes more established customer feedback is becoming increasingly positive. The following slides contain a sample of some of the feedback the team has been generating:

“The team told me that it was common for them to complete a loan within 3 week. This surprised me as all the other providers told me at least 8 weeks. Because of this, I chose NatWest.”

Michelle Dance – MD Ocean World Travel

”I really never thought that I’d say this “but this way of working is considerably quicker and I would certainly recommend NatWest Property Finance Direct to others as they offer sensible lending at a reasonable price and are extremely efficient.”

Ann Robertson – Greyswood Individual Homes Ltd

“There are people at NatWest who genuinely care about their customers and although there is a grid pricing structure laid down, this doesn't stop employees at NatWest wishing to go that extra mile to secure the Banks customer base if needed. This is not a bank that is closed, this is bank that is really going for it”.

Chris Bagnall, Goldthorn Property Developments

“I felt like I was the number one priority at all times and this helped the arrangement get processed even more smoothly than I originally anticipated”.

Ken Gorvin, Managing Director, Interpark UK Ltd.

“The whole thing now feels much slicker, much more customer focussed and much more professional in terms of execution.”

John Platt, Relationship Director, Manchester Commercial Coverage.

“When it comes to development finance it’s really hard to find a lender that will work closely with you and more importantly ensure that everything runs on time. NatWest delivered on this and my builder was massively impressed.”

Kiri Kiritharan, Managing Director – Louis Homes

Questions



NatWest