

Why property finance shouldn't be your last resort



Nucleus
Property
Finance

WHAT IS PROPERTY FINANCE?

Property finance is exactly what it sounds like: a secured business loan that uses a residential property, commercial property, or property portfolio as collateral, allowing you to borrow what you need, when you need it – and ideally at competitive rates.

WHY IT SHOULDN'T BE A LAST RESORT

Property finance is the victim of certain misconceptions, and the financial services industry has only perpetuated them.

Banks are naturally risk averse, and are liable to turn down feasible applications for reasons that have nothing to do with your company. Where they may not approve an unsecured business loan, they may well approve a loan that uses your property as collateral.

Because of this, property finance isn't always seen as a viable option in and of itself. In fact, it's often unfairly characterised as the loan of last resort.

The truth is that property finance is an option worth considering for SMEs: it offers quick access to funding at competitive rates – allowing your company to grow, prosper, and meet its potential. In fact, you can save your company a lot of time by seeking out property finance directly, instead of entering lengthy, abortive negotiations with banks about overdraft. Alternative funders can provide convenient access to this funding at affordable rates, and can lend SMEs far more money than a conventional financial institution.

This kind of property finance from this kind of lender typically ranges in value, anywhere from £25,000 up to £15 million – significantly more than any bank offers, and with considerably less bureaucracy. What's more, it's available to any kind of business: a hotel, a shop, a bar, a scaffolding organisation: anyone who has a property as collateral.

The best alternative funders take a holistic, rather than criteria-driven approach to approving and rejecting applications: they're less interested in tick box exercises than in working with promising businesses – and they're not interested in treating property finance as a last resort at all.

JUST THE FACTS

What is property finance?

- Property finance uses your home, commercial property, or property portfolio as collateral for a loan
- All kinds of businesses are eligible
- Property finance solutions can typically range in value from £25,000 to £15m

WHAT PROBLEMS MIGHT I RUN INTO?

JUST THE FACTS

What information do I need to apply for property finance?

- Your company name
- The amount you wish to borrow
- The duration of the loan
- Security details
- The name of the company's directors and their contact information
- A business plan
- A cash forecast (for a new company)
- Supporting financial information & three months of bank statements (for a more established business)

Property finance is one of the less complicated small business loans. If you've been paying your mortgage regularly, you shouldn't have an issue; if you haven't, it will certainly raise questions about your ability to make your monthly repayments.

At the same time, every lender is different, and the more flexible ones will consider extenuating circumstances and look at the whole picture, rather than isolated incidents. If you're not generating enough revenue, that's a problem that property finance is meant to ease and possibly solve. Your company's past doesn't necessarily have to dictate its future.

Qualifying for property finance isn't so much the issue; it's what to look out for once your application is approved. A legal representative should be present before you sign anything; they'll work with the funding party's solicitor and arrive at a mutually agreeable solution.

Your solicitor will be especially invaluable when it comes to identifying and highlighting hidden fees. Less scrupulous lenders tend to hide these charges in walls of dense, impenetrable legalese and small print, thinking that borrowers will skip over or skim read their contract.

At Nucleus, we have a completely transparent and flexible fees structure, which we will build around your needs. Nonetheless, we recommend that you and your solicitor read any contract you sign in full – including ours.

PROPERTY FINANCE – EARNING DOWN THE HOUSE

Property finance gives you more money on day one – with quick approvals, no bureaucracy, and a wealth of additional funding options such as invoice, construction, and cash flow finance still readily available should you need it. We are also able to offer a unique business overdraft facility – Nucleus Overdraft ID.

At Nucleus, we make the process of securing this finance as simple and convenient as possible – whether you're using your home, your place of business, or your property portfolio as collateral.

Property finance is so much more than a last resort. It's an easy way to get the finance you need, when you need it: not only can it get your business off the ground, it can make it fly.

JUST THE FACTS

What problems might I run into?

- Hidden fees
- Credit history
- Inflexible lenders
- Unscrupulous lenders

Talk to our expert funding team for invoice, overdraft, property, construction and asset finance solutions:

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