



Refurbishment buy to let



Refurbishment buy to let

The complete guide

Correct as of: 28 September 2022



INFORMATION

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Key features

Our refurbishment buy to let proposition offers your customer the flexibility of bridging finance to fund a refurbishment project as well as providing the surety of an exit onto a buy to let mortgage at the time of application, provided there's no change in circumstances and the property meets the expected valuation following refurbishment.

We offer a choice of buy to let exit depending on the type of refurbishment works that your customer is planning. Plus, the buy to let product chosen will remain available whilst the buy to let mortgage offer is valid, allowing your customers the security of knowing what their monthly repayments will be once the refurbishment work is completed.

So whether they're fitting a new kitchen, looking to improve the energy efficiency of a property by installing double glazing or refurbishing a property that already has a high EPC rating, our new offering really could tick all the boxes.

During the refurbishment phase your customers can choose either a serviced or retained interest basis, depending on whether they wish to make monthly payments whilst works are being completed.

Our underwriters are on hand to help throughout the process, from keying the case for you, through to offering you expert assistance when you need it.

You only need to complete one application form, which we'll key for you. And you'll benefit from one valuer for both the bridging finance and the buy to let exit, one conveyancer to help minimise costs and you'll receive two procurement fees.

Customers must be confident they can complete any refurbishment work within the buy to let offer validity period (six months from the initial valuation).

Properties where the proposed works would be classed as heavy refurbishment are not currently accepted.



We offer a choice of buy to let exit options

EXIT 1



Standard refurbishment

Standard refurbishment to make a property habitable.

Ideal for:

- Landlords looking to change the use of a garage or loft space to a habitable room.
- Properties purchased at auction that require light refurbishment to be acceptable for mortgage purposes.
- Landlords looking to change the use of a residential property to, or from, a small HMO with up to six lettable rooms.

EXIT 2



Energy efficiency refurbishment

Refurbishment which includes some element of energy efficiency.

Ideal for:

- Landlords looking to improve the energy efficiency of their property by completing works such as fitting double glazing, upgrading a boiler or adding loft insulation.
- Landlords looking to complete works in order to meet minimum EPC rating requirements.

EXIT 3



EPC C+ refurbishment

Refurbishment of a property that already has an EPC rating of C or above, or is awarded a C rating as a result of the improvement work.

Ideal for:

- Landlords looking to refurbish a property to maximise the rental yield.

Product features



Bridging finance

Up to 75% LTV

6 months

Minimum: £50,000
Maximum: £1,000,000

Serviced or retained

£75,000 (£100,000 in London)
HMOs: £100,000 (£250,000 in London)

0.47% per month



Buy to let mortgages

Up to 80% LTV

35 years

Minimum: £40,000
Maximum: £3m (£1m HMO)

Interest only or capital and interest

£50,000 (£150,000 in London)
HMOs: £100,000 (£250,000 in London)

5.34%

How it works

1 Contact

Call our refurbishment buy to let underwriters on **0800 116 4385** to discuss how we can help your customer.

3 Initial assessment

Our team will key the application, saving you valuable time. We'll make an assessment of the case and issue a mortgage illustration based on your customer's product selection and also let you know of any additional information we may need.

5 Offers

We'll issue two offers; one for bridging finance and one for the buy to let exit. The bridging offer will be valid for three months and the buy to let mortgage offer for six months from the date of the initial valuation.

7 Re-inspection

You can contact us when the property is ready to be inspected by the valuer. Works should be completed within the buy to let offer validity period (six months from the initial valuation).

If you selected a **standard refurbishment exit product**, then there are no additional fees payable as this is included in the original fees.

If you selected either an **energy efficiency or EPC C+ exit product**, then your customer will need to arrange a new EPC for the property.

For energy efficiency exits, the new EPC must show an increase in the overall Standard Assessment Procedure (SAP) score. For EPC C+ exits, the new EPC must show an EPC rating of C or above.

2 Application

Review the refurbishment buy to let products on the following pages to select the most suitable product for your customer based on the improvement works they're planning. Then simply complete our application pack and return it to us. We'll then contact you to discuss your application.

If you've selected an energy efficiency exit product, your customer will need to provide an Energy Performance Certificate (EPC) for the property.

4 Valuation

Once the customer is happy they can pay the valuation fee and we'll instruct the inspection. We give your customer the surety of an exit providing there is no change in circumstances and the property meets the expected post works valuation.

6 Bridge completes

Funds are released and works on the property can commence.

8 Completion

If the valuation is returned as expected and there are no changes the case will complete on the buy to let mortgage selected and the bridging finance will be repaid.



Bridging finance

	55% LTV	65% LTV	70% LTV	75% LTV	Facility fee/product fee
Bridging element (all rates are per month)	0.47%	0.57%	0.67%	0.75%	0.75%



Once refurbishment is complete, your customer will exit on to the long-term buy to let product selected based on the improvement works being completed.





Standard refurbishment

Key criteria			
Acceptable adverse	Loan amount/LTV limit		*Assessment rate
Defaults: 0 in 72 months CCJ: 0 in 72 months Missed mortgage/secured loan arrears: 0 in 36 months Unsecured arrears: 1 in 12 months, 2 in 36 months (worst status)	Minimum loan size: £40,000	Maximum loan size: £3,000,000 60% £1,000,000 70% £750,000 75% £500,000 80%	Short-term fixed rates: Higher of pay rate +2%, or reversion rate, minimum 5.50% 5 year+ fixed rates: Pay rate All buy to let mortgage products feature a refund of the bridging finance redemption administration fee of £40 . This is covered as part of the £114 cashback paid on completion of the buy to let mortgage.

LTV	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate*	Product code
80%	2-year fixed	5.54%	1.50%	4% in year 1, 3% in year 2	BBR + 4.25%	7.54%	RBN25 (PERSONAL)
							RBN29 (LTD CO)
	5-year fixed	5.84%		4% in years 1 and 2 3% in years 3 and 4 2% in year 5	BBR + 4.75%	5.84%	RBN26 (PERSONAL)
							RBN30 (LTD CO)



Standard refurbishment - HMO

Key criteria			
Acceptable adverse	Loan amount/LTV limit		*Assessment rate
Defaults: 0 in 72 months CCJ: 0 in 72 months Missed mortgage/secured loan arrears: 0 in 36 months Unsecured arrears: 1 in 12 months, 2 in 36 months (worst status)	Minimum loan size: £40,000	Maximum loan size: £1,000,000 70% £750,000 75% £500,000 80%	Short-term fixed rates: Higher of pay rate +2%, or reversion rate, minimum 5.50% 5 year+ fixed rates: Pay rate All buy to let mortgage products feature a refund of the bridging finance redemption administration fee of £40 . This is covered as part of the £114 cashback paid on completion of the buy to let mortgage.

HMO ONLY	LTV	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate*	Product code
	80%	2-year fixed	5.64%	1.50%	4% in year 1, 3% in year 2	BBR + 4.25%	7.64%	RBN33 (PERSONAL HMO)
								RBN37 (LTD CO HMO)
		5-year fixed	5.94%		4% in years 1 and 2 3% in years 3 and 4 2% in year 5	BBR + 4.75%	5.94%	RBN34 (PERSONAL HMO)
								RBN38 (LTD CO HMO)



Energy efficiency refurbishment

Key criteria			
Acceptable adverse	Loan amount/LTV limit		*Assessment rate
Defaults: 0 in 72 months CCJ: 0 in 72 months Missed mortgage/secured loan arrears: 0 in 36 months Unsecured arrears: 1 in 12 months, 2 in 36 months (worst status)	Minimum loan size: £40,000	Maximum loan size: £3,000,000 60% £1,000,000 70% £750,000 75% £500,000 80%	Short-term fixed rates: Higher of pay rate +2%, or reversion rate, minimum 5.50% 5 year+ fixed rates: Pay rate All buy to let mortgage products feature a refund of the bridging finance redemption administration fee of £40 . This is covered as part of the £114 cashback paid on completion of the buy to let mortgage.

LTV	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate*	Product code
80%	2-year fixed	5.44%	1.50%	4% in year 1, 3% in year 2	BBR + 4.25%	7.44%	RBN09 (PERSONAL)
							RBN13 (LTD CO)
	5-year fixed	5.74%		4% in years 1 and 2 3% in years 3 and 4 2% in year 5	BBR + 4.75%	5.74%	RBN10 (PERSONAL)
							RBN14 (LTD CO)



Energy efficiency refurbishment - HMO

Key criteria			
Acceptable adverse	Loan amount/LTV limit		*Assessment rate
Defaults: 0 in 72 months CCJ: 0 in 72 months Missed mortgage/secured loan arrears: 0 in 36 months Unsecured arrears: 1 in 12 months, 2 in 36 months (worst status)	Minimum loan size: £40,000	Maximum loan size: £1,000,000 70% £750,000 75% £500,000 80%	Short-term fixed rates: Higher of pay rate +2%, or reversion rate, minimum 5.50% 5 year+ fixed rates: Pay rate All buy to let mortgage products feature a refund of the bridging finance redemption administration fee of £40 . This is covered as part of the £114 cashback paid on completion of the buy to let mortgage.

HMO ONLY	LTV	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate*	Product code
	80%	2-year fixed	5.54%	1.50%	4% in year 1, 3% in year 2	BBR + 4.25%	7.54%	RBN17 (PERSONAL HMO)
								RBN21 (LTD CO HMO)
		5-year fixed	5.84%		4% in years 1 and 2 3% in years 3 and 4 2% in year 5	BBR + 4.75%	5.84%	RBN18 (PERSONAL HMO)
								RBN22 (LTD CO HMO)



EPC C+ refurbishment

Key criteria			
Acceptable adverse	Loan amount/LTV limit		*Assessment rate
Defaults: 0 in 72 months CCJ: 0 in 72 months Missed mortgage/secured loan arrears: 0 in 36 months Unsecured arrears: 1 in 12 months, 2 in 36 months (worst status)	Minimum loan size: £40,000	Maximum loan size: £3,000,000 60% £1,000,000 70% £750,000 75% £500,000 80%	Short-term fixed rates: Higher of pay rate +2%, or reversion rate, minimum 5.50% 5 year+ fixed rates: Pay rate All buy to let mortgage products feature a refund of the bridging finance redemption administration fee of £40 . This is covered as part of the £114 cashback paid on completion of the buy to let mortgage.

LTV	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate*	Product code
80%	2-year fixed	5.34%	1.50%	4% in year 1, 3% in year 2	BBR + 4.25%	7.34%	RBM92 (PERSONAL)
							RBM96 (LTD CO)
	5-year fixed	5.64%		4% in years 1 and 2 3% in years 3 and 4 2% in year 5	BBR + 4.75%	5.64%	RBM93 (PERSONAL)
							RBM97 (LTD CO)

BUY TO LET EXIT

EPC C+ refurbishment - HMO



Key criteria			
Acceptable adverse	Loan amount/LTV limit		*Assessment rate
Defaults: 0 in 72 months CCJ: 0 in 72 months Missed mortgage/secured loan arrears: 0 in 36 months Unsecured arrears: 1 in 12 months, 2 in 36 months (worst status)	Minimum loan size: £40,000	Maximum loan size: £1,000,000 70% £750,000 75% £500,000 80%	Short-term fixed rates: Higher of pay rate +2%, or reversion rate, minimum 5.50% 5 year+ fixed rates: Pay rate All buy to let mortgage products feature a refund of the bridging finance redemption administration fee of £40 . This is covered as part of the £114 cashback paid on completion of the buy to let mortgage.

HMO ONLY	LTV	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate*	Product code
	80%	2-year fixed	5.44%	1.50%	4% in year 1, 3% in year 2	BBR + 4.25%	7.44%	RBN01 (PERSONAL HMO)
								RBN05 (LTD CO HMO)
		5-year fixed	5.74%		4% in years 1 and 2 3% in years 3 and 4 2% in year 5	BBR + 4.75%	5.74%	RBN02 (PERSONAL HMO)
								RBN06 (LTD CO HMO)

Fees

Payable at initial application:

	Purchase price or estimated value (up to)	Refurbishment buy to let	HMO refurbishment buy to let
Valuation fees	£100,000	£515	£750
	£150,000	£550	£750
	£200,000	£585	£765
	£300,000	£610	£835
	£400,000	£635	£895
	£500,000	£680	£955
	£600,000	£730	£1,020
	£700,000	£780	£1,080
	£800,000	£835	£1,190
	£900,000	£890	£1,265
	£1,000,000	£985	£1,335
	£1,000,000 plus	Contact us	Contact us

The valuation fees detailed above include a £250 valuation assessment fee and cover the initial valuation and one re-inspection once the works are complete.

Once a valuation has been carried out the valuation fee is non-refundable. In all instances the valuation will be carried out on behalf of Precise Mortgages. All of the valuation fees above are inclusive of VAT (where applicable).



Payable at completion of the bridging finance:

- Facility fee/product fee: **0.75%**
- Refurbishment assessment fee: **£145**
- Telegraphic transfer fee: **£25**



Payable at completion of the buy to let mortgage:

- Bridging finance redemption administration fee: **£40**
- This fee is then refunded as part of the £114 cashback which is paid as part of the buy to let mortgage product
- Buy to let mortgage product fee: **varies by product**

INFORMATION

Conveyancers

We work with conveyancers who have a thorough understanding of the speed and service requirements for refurbishment buy to let transactions and are available to act on both the bridging loan and buy to let mortgage. The following conveyancers may be able to offer a discount on fees, please contact them for further information.

England and Wales

Blacks Solicitors LLP	01132 070000	www.lawblacks.com	City Point, 29 King Street, Leeds, LS1 2HL
Goldsmith Williams-Gwlegal	0345 373 3737	gw.legal	GWlegal, 4th Floor, 20 Chapel Street, Liverpool, L3 9GW
Gordons Property Lawyers	01628 308380	www.gplawyers.co.uk	SC House, Vanwall Road, Maidenhead, Berkshire, SL6 4UB
JMW	03458 726666	www.jmw.co.uk	1 Byrom Place, Manchester, M3 3HG
Lightfoots	01844 212305	www.lightfoots.co.uk	1-3 High Street, Thame, OX9 2BX
Ratio Law	01614 649540	www.ratiolaw.co.uk	Hanover House, 30-32 Charlotte Street, Manchester, M1 4FD

Scotland

Aberdein Considine	0333 0066113	www.acandco.com	7 - 9 Bon Accord Crescent, Aberdeen, AB11 6DN
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FOR INTERMEDIARIES ONLY

We can provide literature in large print, Braille and audio tape. Please ask us for this leaflet in an alternative format if you need it.

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