



Refurbishment buy to let



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The complete guide

Correct as of: 29 September 2023



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 exits depending on the type of refurbishment works. Plus, the exit 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 offering really could tick all boxes.

During the refurbishment phase your customers can choose either a serviced or retained interest basis, depending on whether or not 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 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)

0.74% 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)

6.09%

How it works

Contact

Call our refurbishment buy to let underwriters on **0800 116 4385** to get the ball rolling.

Initial assessment

We'll key the application, saving you time. We'll make an assessment of the case, issue an illustration and let you know of any extra information we need.

Offers

We'll issue two offers; one for bridging finance and one for the buy to let exit. The bridging offer is valid for 3 months and the buy to let offer for 6 months from the date of the initial valuation.

Re-inspection

Get in touch when the property's ready to be inspected. For **standard refurbishment exits**, no additional fees are payable.

For **energy efficiency or EPC C+ exits**, you'll need to provide a new EPC for the property.

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

Application

Review the products and select the most suitable for your customer based on the planned improvement works. Then complete our application pack and return it to us.

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

Valuation

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

Bridge completes

Funds are released and works on the property can begin. Works must be completed within the buy to let offer validity period.

Completion

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



Bridging finance

	65% LTV	70% LTV	75% LTV	Facility fee/product fee
Bridging element (all rates are per month)	0.74%	0.79%	0.84%	0.75%



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





Standard refurbishment

Key criteria				
Acceptable adverse	Loan amounts		Cashback	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%	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.	Short-term fixed rates: Pay rate plus 1.55%, minimum 5.50% 5 year+ fixed rates: Pay rate

LTV	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate	Product code
75%	2-year fixed	6.79%	2.00%	4% in year 1, 3% in year 2	BBR + 3.25%	8.34%	RBO52 (PERSONAL) RBO54 (LTD CO)
	5-year fixed	6.49%	2.00%	4% in years 1 and 2 3% in years 3 and 4 2% in year 5	BBR + 3.25%	6.49%	RBO21 (PERSONAL) RBO25 (LTD CO)

LTV	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate*	Product code
80%	2-year fixed	7.09%	2.00%	4% in year 1, 3% in year 2	BBR + 3.25%	8.64%	RBO53 (PERSONAL) RBO55 (LTD CO)
	5-year fixed	6.79%	2.00%	4% in years 1 and 2 3% in years 3 and 4 2% in year 5	BBR + 3.25%	6.79%	RBO23 (PERSONAL) RBO27 (LTD CO)



Standard refurbishment - HMO

Key criteria			
Acceptable adverse	Loan amounts		Cashback
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%	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.
			Assessment rate Short-term fixed rates: Pay rate plus 1.55%, minimum 5.50% 5 year+ fixed rates: Pay rate

HMO AND MULTI-UNIT	LTV	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate	Product code
	75%	2-year fixed	6.79%	2.00%	4% in year 1, 3% in year 2	BBR + 3.25%	8.34%	RBO56 (PERSONAL HMO) RBO58 (LTD CO HMO)
		5-year fixed	6.49%	2.00%	4% in years 1 and 2 3% in years 3 and 4 2% in year 5	BBR + 3.25%	6.49%	RBO29 (PERSONAL HMO) RBO33 (LTD CO HMO)

HMO ONLY	LTV	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate	Product code
	80%	2-year fixed	7.09%	2.00%	4% in year 1, 3% in year 2	BBR + 3.25%	8.64%	RBO57 (PERSONAL HMO) RBO59 (LTD CO HMO)
		5-year fixed	6.79%	2.00%	4% in years 1 and 2 3% in years 3 and 4 2% in year 5	BBR + 3.25%	6.79%	RBO31 (PERSONAL HMO) RBO35 (LTD CO HMO)



Energy efficiency refurbishment

Key criteria			
Acceptable adverse	Loan amounts		Cashback
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%	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.
			Assessment rate Short-term fixed rates: Pay rate plus 1.55%, minimum 5.50% 5 year+ fixed rates: Pay rate

LTV	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate	Product code
75%	2-year fixed	6.59%	2.00%	4% in year 1, 3% in year 2	BBR + 3.25%	8.14%	RBO44 (PERSONAL) RBO46 (LTD CO)
	5-year fixed	6.29%	2.00%	4% in years 1 and 2 3% in years 3 and 4 2% in year 5	BBR + 3.25%	6.29%	RBO05 (PERSONAL) RBO09 (LTD CO)

LTV	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate	Product code
80%	2-year fixed	6.89%	2.00%	4% in year 1, 3% in year 2	BBR + 3.25%	8.44%	RBO45 (PERSONAL) RBO47 (LTD CO)
	5-year fixed	6.59%	2.00%	4% in years 1 and 2 3% in years 3 and 4 2% in year 5	BBR + 3.25%	6.59%	RBO07 (PERSONAL) RBO11 (LTD CO)



Energy efficiency refurbishment - HMO

Key criteria			
Acceptable adverse	Loan amounts		Cashback
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%	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.
			Assessment rate Short-term fixed rates: Pay rate plus 1.55%, minimum 5.50% 5 year+ fixed rates: Pay rate

HMO AND MULTI-UNIT	LTV	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate	Product code
	75%	2-year fixed	6.59%	2.00%	4% in year 1, 3% in year 2	BBR + 3.25%	8.14%	RBO48 (PERSONAL HMO) RBO50 (LTD CO HMO)
		5-year fixed	6.29%	2.00%	4% in years 1 and 2 3% in years 3 and 4 2% in year 5	BBR + 3.25%	6.29%	RBO13 (PERSONAL HMO) RBO17 (LTD CO HMO)

HMO ONLY	LTV	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate	Product code
	80%	2-year fixed	6.89%	2.00%	4% in year 1, 3% in year 2	BBR + 3.25%	8.44%	RBO49 (PERSONAL HMO) RBO51 (LTD CO HMO)
		5-year fixed	6.59%	2.00%	4% in years 1 and 2 3% in years 3 and 4 2% in year 5	BBR + 3.25%	6.59%	RBO15 (PERSONAL HMO) RBO19 (LTD CO HMO)



EPC C+ refurbishment

Key criteria			
Acceptable adverse	Loan amounts		Cashback
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%	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.
			Assessment rate Short-term fixed rates: Pay rate plus 1.55%, minimum 5.50% 5 year+ fixed rates: Pay rate

LTV	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate	Product code
75%	2-year fixed	6.39%	2.00%	4% in year 1, 3% in year 2	BBR + 3.25%	7.94%	RBO36 (PERSONAL) RBO38 (LTD CO)
	5-year fixed	6.09%	2.00%	4% in years 1 and 2 3% in years 3 and 4 2% in year 5	BBR + 3.25%	6.09%	RBN88 (PERSONAL) RBN92 (LTD CO)

LTV	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate	Product code
80%	2-year fixed	6.69%	2.00%	4% in year 1, 3% in year 2	BBR + 3.25%	8.24%	RBO37 (PERSONAL) RBO39 (LTD CO)
	5-year fixed	6.39%	2.00%	4% in years 1 and 2 3% in years 3 and 4 2% in year 5	BBR + 3.25%	6.39%	RBN90 (PERSONAL) RBN94 (LTD CO)



EPC C+ refurbishment - HMO

Key criteria			
Acceptable adverse	Loan amounts		Cashback
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%	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.
			Assessment rate Short-term fixed rates: Pay rate plus 1.55%, minimum 5.50% 5 year+ fixed rates: Pay rate

HMO AND MULTI-UNIT	LTV	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate	Product code
	75%	2-year fixed	6.39%	2.00%	4% in year 1, 3% in year 2	BBR + 3.25%	7.94%	RBO40 (PERSONAL HMO) RBO42 (LTD CO HMO)
		5-year fixed	6.09%	2.00%	4% in years 1 and 2 3% in years 3 and 4 2% in year 5	BBR + 3.25%	6.09%	RBN96 (PERSONAL HMO) RBO01 (LTD CO HMO)

HMO ONLY	LTV	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate	Product code
	80%	2-year fixed	6.69%	2.00%	4% in year 1, 3% in year 2	BBR + 3.25%	8.24%	RBO41 (PERSONAL HMO) RBO43 (LTD CO HMO)
		5-year fixed	6.39%	2.00%	4% in years 1 and 2 3% in years 3 and 4 2% in year 5	BBR + 3.25%	6.39%	RBN98 (PERSONAL HMO) RBO03 (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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