

Real Estate Finance Development Loan



Royal Bank
of Scotland

A simple way to borrow

The Real Estate Finance (REF) Development Loan is designed for those who would like to build a property for either residential or commercial purposes.

Your needs

Every business is different, however when an opportunity presents itself, being able to obtain funds needed to make the most of it is a challenge that every organisation faces.

If you would like to build a property for either residential or commercial purposes with a variable interest rate, a Real Estate Finance (REF) Development Loan could be the right solution for you.

Our solution

The Real Estate Finance (REF) Development Loan is a simple way to borrow if you would like to build a property for either residential or commercial purposes, with term lengths up to 3 years.

Benefits

- You can repay your loan early with no redemption charges.
- Variable rate of interest – If the RBS base rate falls, your repayments will decrease.
- This loan is provided on an interest-only basis.
- Tranche drawdowns.

Considerations

- If RBS base rate increases, your repayments will also increase.
- Minimum borrowing amount of £50,000.
- A professional valuation may be required.
- Loans provided on a fully-funded basis.
- An arrangement fee and exit fee may apply.
- Loan normally paid off via property sale.

Is a REF Development Loan right for you?

You might consider a REF Development Loan if you:

-  Need to release funds in tranches as your build progresses.
-  Believe you may pay the loan back quicker than the agreed term, or may close it early.
-  Believe variable rates will remain low, or even fall.
-  Want a flexible loan that matches your stages of development.
-  Asset Value: Commercial property is a tangible asset which may rise in value in a positive market and support any future borrowing.

How it works?

Initial discussion

Relationship Manager (RM) discusses options available to you.



Application

You receive a quotation, RM collects further information that is required and submits to our credit team to review.



Outcome

Your RM will contact you to discuss the outcome, agreed terms and any next steps (if applicable).



Security

Lawyers will organise taking in security for the loan.



Money in account

Once documentation has been returned and any conditions satisfied, we will confirm that funds have been paid out and issue a welcome pack to you.

Product specifications

- Facility Size: £50,000 upwards.
- Term: Max 3 years.
- Repayment Profiles: Interest-only loan.
- Options: Tranche drawdowns, subject to agreement.

Tomorrow begins today

Working with you?

If you choose to proceed with us, your Relationship Manager will work with you to help you understand the process and to clearly explain all costs. Once you progress, we will endeavour to advise you of our decision as early as possible.

Your challenges	Our solution
• Access to funding. – Uncertainty during the process as to whether funds will be approved. – No one to talk to when pursuing finance.	• A transparent decision process looked after by a dedicated relationship team to answer any questions, help understand what is required and support you through the journey.
• Uncertainty around cost.	• Your relationship manager will talk you through all the costs to give you the information you need.
• Finance does not flex to your business.	• The variable rate loan comes with no Early Redemption Charges and no tranche drawdowns (subject to agreement), allowing you to pay back your loan at any time – Subject to paying an exit fee, if applicable.

Options, fees and additional features

Additional information	Explanation
• Linked to the RBS base rate.	• This loan will be linked to the RBS base rate for the life of the loan. Please note that, for the purposes of interest rate calculation, where RBS base rate is below zero, it will be deemed to be zero.
• Variable rate interest.	• The basis on which interest is calculated.
• Arrangement fee.	• An arrangement fee may apply, based on deal size and complexity.
• Exit fee.	• A fee charged upon repayment of the loan, following the sale of the asset or decision to refinance.
• Valuation & security fee.	• A professional valuation and security fee may be charged where a valuation and security are required.

Security may be required. Fees may apply. Over 18s only. Subject to status, business use only.

ANY PROPERTY OR ASSET USED AS SECURITY MAY BE REPOSSESSED OR FORFEITED IF YOU DO NOT KEEP UP ON REPAYMENTS ON ANY DEBT SECURED ON IT.

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